

TARP SPECIAL INSPECTOR  
GENERAL

• Mrs. MCCASKILL. Mr. President, this week, the Senate passed an important piece of legislation sponsored by Senator GRASSLEY and myself, that was needed to assure the new Special Inspector General for the \$700 billion financial rescue program could staff up quickly and have the ability to do his job. S. 3731's other cosponsors—Senators COLLINS, LIEBERMAN, SNOWE, DODD, BUNNING, SCHUMER, LEVIN, CARPER, COLEMAN and CANTWELL—were also key to securing unanimous support for this bill in the Senate. Finally, I want to give special thanks to Senators BAUCUS and SHELBY for working closely with us to craft a strong bipartisan bill.

This legislation, the Special Inspector General for the Troubled Asset Relief Program, SIGTARP, would specifically grant the Special IG created under TARP earlier this fall to have full oversight over all activities under the TARP program. The bill would have also granted the IG the temporary hiring authority needed to quickly hire the dozens of auditors required to conduct this critical oversight.

As the original Inspector General language is written under current law, Mr. Barofsky, who was confirmed as the Special Inspector General this week, must hire his entire staff using normal civil service channels. I am a big proponent of using the normal hiring process whenever possible. But that process is time consuming and can take weeks, sometimes months, to hire one person. Meanwhile, this money is flying out the door. TARP has given out nearly all of the first \$350 billion, and they have already told us they want the second half soon. Yet, Mr. Barofsky has no staff, and he won't have staff for some time. We need to fix this—right now.

Our bill would also make clear that the Special Inspector General has oversight authority over the entire relief program. As written right now, SIGTARP has oversight authority over only two sections of the relief program. Why would we want to limit the Inspector General to only certain sections of this program? Our legislation would make clear that SIGTARP has oversight duties over all of TARP. This would include sections related specifically to assistance to homeowners and promulgation of conflict of interest rules by the Secretary of the Treasury.

Senator SNOWE added some provisions to assure that the IG would provide Congress and the public a thorough analysis of TARP's spending, as well as a requirement for Treasury officials to report to Congress an explanation if they did not implement the IG's recommendations.

As a former auditor, nothing is more frustrating than seeing your recommendations completely ignored. I would never claim that all audit recommendations can, or should, be immediately implemented. But we need

to be able to assure ourselves that these recommendations are taken seriously and are being considered. We should know the reason if these recommendations are not implemented.

Finally, Senator SNOWE suggested that we should make sure that the Special Inspector General has the resources he needs by imposing a time limit on providing him with the money allocated to his office in the original bill. The relationship between an agency and an office charged with overseeing them is a delicate one. Tensions sometimes arise due to the fact that IGs must rely on the agency they audit and investigate for their resources. While I have no reason to think that the Treasury Department would deny Mr. Barofsky the funds needed to perform his duties, this provision would eliminate that tension.

Unfortunately, we were not able to secure passage of this legislation in the House before we adjourned this week. I will do everything I can to bring it back first thing in the 111th Congress to secure its quick passage in both chambers and signed into law to assure we have strong oversight on the \$700 billion financial rescue program. •

• Mr. LEAHY. Mr. President, the election of Barack Obama and JOE BIDEN, and the President-elect's selection of Eric Holder to be Attorney General of the United States, provide an historic opportunity for the country to move past the partisanship of the past decades, and work together to solve the Nation's problems, protect against serious threats, and meet some of the greatest challenges of our time. We all know these men. They have long and distinguished records of service and accomplishments. They can make a real difference if we join with them, not as Democrats or Republicans, but as Americans.

The need for new leadership at the Department of Justice is as critical today as it has ever been. The Judiciary Committee, both Democrats and Republicans, spent a good deal of time and effort during this Congress uncovering scandals at the Department. Former Attorney General Gonzales, Karl Rove, Mr. Rove's White House deputies, and virtually the entire leadership at the Department resigned in the wake of congressional investigation. Since then, the Inspector General at the Department has confirmed many of our findings and fears, and there are still more reports to come. An ongoing criminal investigation is being conducted by a specially appointed prosecutor. The crisis at the Department of Justice is not resolved, but ongoing.

I want to continue the work we began last year when I scheduled prompt hearings and the Senate proceeded to confirm Michael Mukasey, Mark Filip and Kevin O'Connor to serve as Attorney General, Deputy Attorney General and Associate Attorney General after the Rove-Gonzales resignations, even though we were on the eve of the election of a new President. We cannot now

delay restoring the Justice Department and the confidence the American people have in our justice system. We must promptly consider and confirm Eric H. Holder Jr., and other nominees of the new President.

I was encouraged by the initial reaction in mid-November when Mr. Holder's name was reported as the likely nominee, and when he was designated by the President-elect on December 1. Democrats and Republicans alike acknowledged his qualifications and praised the choice. I appreciate the willingness of Larry Thompson, who was confirmed early in 2001 as President Bush's first Deputy Attorney General; Louis Freeh, the former Director of the FBI; and Fran Townsend, President Bush's former Homeland Security advisor, to speak out in support of Mr. Holder's designation.

As early as November 19, the ranking Republican member of the Judiciary Committee said that he would not hold up the matter, but "would be prepared to move ahead very promptly with hearings." I appreciated and shared his desire to proceed "as fast as we can move" and his commitment that he "wouldn't hold it up." He said that he hoped Mr. Holder would "re-professionalize" the Justice Department. I hope so, too.

I agree with Senator SPECTER that we need to strengthen the Justice Department. He and I coauthored an article in the *Politico* before the election. In a sentence Senator SPECTER quoted recently on the Senate floor, we wrote: "The Attorney General must be someone who deeply appreciates and respects the work and commitment of the thousands of men and women who work in the branches and divisions of the Justice Department, day in and day out, without regard to politics or ideology, doing their best to enforce the law and promote justice." I have every confidence that Eric Holder is such a person, and I said so in this chamber on November 20. Indeed, in his brief remarks on the morning he was designated, Mr. Holder expressed just such appreciation.

I know that the professionals at the Department of Justice reacted with delight when he was named because they know him well. They know him from his 12 years at the Public Integrity Section, from his time as the U.S. Attorney for the District of Columbia, from his tenure on the bench, and from his years as the Deputy Attorney General, the second-highest ranking official of the Department. His prompt confirmation will do a great deal to restore morale throughout the Justice Department.

I have called Mr. Holder a prosecutor's prosecutor. He participated in a number of prosecutions and appeals involving such defendants as the State Treasurer of Florida, a former Ambassador to the Dominican Republic, a local judge in Philadelphia, an Assistant United States Attorney in New York City, an FBI agent, a "capo" in

an organized crime family, and a powerful Democratic chairman of the House Ways and Means Committee.

After he served for a dozen years as a prosecutor, President Reagan nominated Mr. Holder to be a judge, and he served with distinction on the Superior Court of the District of Columbia. He left the bench to become the first African American U.S. Attorney for the District of Columbia, heading the largest U.S. Attorney's office in the country.

Four years later, Mr. Holder was nominated to the important post of Deputy Attorney General. I worked with Senator HATCH, who was then Chairman of the Judiciary Committee, to report his nomination favorably to the Senate. I was disturbed that an anonymous Republican hold delayed consideration of his nomination for three weeks, but when the Senate finally voted, the vote was unanimous. All 100 Senators voted to confirm Eric H. Holder Jr. to be the Deputy Attorney General of the United States. He became the first African-American in the history of the Department to achieve that high position.

Eric Holder has prosecuted high-level public officials and organized crime, developed comprehensive programs to combat domestic violence, child abuse, and violent crime, and revitalized programs to assist crime victims. He helped guide the Department's efforts on the criminal prosecution of corporations, health care fraud, computer crimes, software piracy, and helped develop the community prosecution model. He has served at nearly every level of the Department of Justice he would lead.

He is a public servant who will have broad support within the law enforcement community. He has already received the support of the 7,000 member National District Attorneys Association, NDAA. It was when I was the vice president of that association and ARLEN SPECTER was the District Attorney in Philadelphia that the ranking member and I first met. The NDAA indicates that it feels a special relationship with Mr. Holder because he was a street crime prosecutor.

Having a prompt confirmation hearing for the new Attorney General is in keeping with how we have treated all the men and women nominated to be Attorney General in the 34 years I have served in the Senate, in particular at the beginning of a newly-elected President's term. That is how the Senate acted on President Carter's appointment of Attorney General Griffin Bell. That is how we acted on President Reagan's appointment of Attorney General William French Smith. When I chaired the Judiciary Committee as President Bush was preparing to take office, I began the hearing on his selection for Attorney General just 25 days after his designation. Likewise, last year I rejected the efforts by some on my side of the aisle to delay hearings on Michael Mukasey and proceeded on that

nomination in 30 days. I did not curb the rights of Committee members to pose questions to then-nominee Mukasey during his confirmation process; I do not intend to do so with Eric Holder.

I want to be as fair to President-elect Obama and to Mr. Holder as we have been to others. I have noticed the hearing for the next Attorney General to begin 39 days after he was officially designated and 52 days after we all began reviewing his record following press reports on November 18.

In my statement to the Senate on November 20, I commended Senators HATCH, SESSIONS, COBURN, and GRASSLEY for their nonpartisanship when they praised his selection. Senator HATCH spoke of his support for Mr. Holder, his experience and reputation. Senator SESSIONS, a former prosecutor, U.S. Attorney, and State Attorney General who is well aware of the problems at the Justice Department, said he was disposed to support him. Senator COBURN called it "a good choice." In addition, Senator GRASSLEY has acknowledged Mr. Holder's impeccable credentials while reserving judgment.

But of course since then, Karl Rove has appeared on the Today Show and signaled that Republicans ought to go after Mr. Holder. Right-wing talk radio took up the drum beat.

I think the responsibilities of the Attorney General of the United States are too important to have that appointment delayed by partisan bickering, by some tit-for-tat drawn out process. This is a public servant we have known and worked with for more than 20 years, and the Senate has previously confirmed him three times to important positions. His record of public service, his integrity, his experience and the commitment to the rule of law that he will bring to the office of the Attorney General of the United States deserve better. He should not be made a pawn in some partisan political game.

I began the week meeting with Mr. Holder. He did not defend the Rich pardon. That is hardly a new matter. It was the subject of House hearings and a Senate Judiciary Committee hearing chaired by Senator SPECTER in 2001, almost 8 years ago. That is not a reason to delay his confirmation hearing. In fact, the confirmation hearing will give those who have doubts and need reassurance the chance to ask Mr. Holder about that matter and hear about it directly from him.

I thought the President-elect had it right when he said recently that Mr. Holder has acknowledged that the Rich pardon was a mistake. President-elect Obama agrees. I agree. President-elect Obama said: "But when you look at the totality of his experience, there is no doubt that he is going to be an outstanding Attorney General." That is the essential point.

Like the President-elect, I want the American people to have confidence that laws are being evenly applied to

everyone and that we are working with local and state as well as Federal officials constantly to improve our criminal justice system. Public confidence and faith in that system has been shaken during the last several years, and Mr. Holder can help restore it.

We need the new Attorney General to be a person of integrity and experience, who can inspire the thousands of hard-working prosecutors, agents and employees who do their best every day to enforce the law and promote justice without regard to partisan politics. We need an Attorney General, as Attorney General Robert H. Jackson said 68 years ago about the Federal prosecutor, "who serves the law and not factional purposes, and who approaches his task with humility."

That is the kind of man Eric Holder is, the kind of prosecutor Eric Holder always was and the kind of Attorney General he would be. The next Attorney General will understand our moral and legal obligation to protect the fundamental rights of all Americans and to respect the human rights of all people. Eric Holder will ensure that the Department of Justice is working to uphold the Constitution and the rule of law, not working to circumvent them.

I was struck by the contrast between what President Bush and Alberto Gonzales said at that announcement and how President-elect Obama and Mr. Holder spoke at his. This is part of the change we need, the change the American people voted for and hunger for. President-elect Obama said: "Let me be clear. The Attorney General serves the American people. And I have every expectation that Eric will protect our people, uphold the public trust, and adhere to our Constitution." The next President understands the role of the Attorney General of the United States and that it is not as counselor to the President. I have no doubt that Mr. Holder understands the independence required of the Attorney General and that his experience and lessons he has learned will serve him and the American people well.

No one should have to remind us how decimated the Department of Justice was during recent years, or how important it is that it be restored. I think it was Senator SPECTER who called it dysfunctional and said that morale was in disarray. We understand that it is all too important that the Department have its senior leadership in place without delay. We must act on this nomination; the Attorney General is the top law enforcement officer in the country and a key member of the national security team.

When President Bush nominated Michael Mukasey last year, Senator KYL said: "Since the Carter administration, attorney general nominees have been confirmed, on average, in approximately three weeks, with some being confirmed even more quickly. The Senate should immediately move to consider Judge Mukasey's nomination and ensure he is confirmed before Congress

recesses for Columbus Day." I held that hearing within 30 days. We should not change the standards now that a Democrat is making the selection.

During my time in the Senate, serving during 8 presidential terms, there has been an average of 29 days between announcement of an Attorney General designation and the start of hearings, and 37 days on average from the announcement of the nominee to the Committee vote. The Holder hearing was set for 39 days after announcement, with the hope that he can be considered by the Committee within 50 days. That does not seem unreasonable. I do appreciate that we and our staffs will be working over the holidays, but we have been called upon many times to do so during the last several tumultuous years.

This is not the occasion to convert our consideration of an executive branch nomination into the kind of searching scrutiny we rightly provide for lifetime appointments to the Supreme Court, which is apparently what the Republican side is intent upon doing.

This is no ordinary time. Over the last 8 years, political manipulation and influence from partisan political operatives in the White House have undercut the Department of Justice in its mission, severely undermined the morale of its career professionals, and shaken public confidence in our Federal justice system. During those 8 years, we experienced the attacks of September 11 and have retooled the Justice Department and the FBI to work closely with the intelligence community in our efforts to prevent terrorism. Never has it been more important to have an experienced hand as Attorney General.

I hope our Republican Members will resist the temptation toward partisanship and join with us to consider this appointment fairly and promptly. ●

#### ALAN NEWMAN: CONDUCTOR OF COSMIC SYMPHONIES

● Mr. LEAHY. Mr. President, the Burlington Free Press recently published a profile of Alan Newman, a habitual entrepreneur who has been the genius and force behind a number of companies established in and around Burlington, VT. Anyone who has met Alan is immediately embraced by his creative exuberance. That creativity combined with his unique vision and style create a special brew that has resulted in an incredible run of establishing successful companies.

I wish to recognize Alan for his accomplishments and I ask that a copy of the entire Burlington Free Press article be printed in the RECORD.

[Burlington Free Press, Dec. 8, 2008]

ALAN NEWMAN OPENS UP

(By Dan McLean)

SOUTH BURLINGTON.—Alan Newman, co-founder and president of Magic Hat Brewing Co., has helped create about a half-dozen Vermont-based companies. During his decades

of building businesses, he has learned where he excels—and when he has reached his limit.

"My skill appears to be starting and growing businesses," including building a brand and a culture for the company, Newman said. When businesses hit about \$7.5 million in annual revenue and reach about 50 employees, Newman says he has arrived at his "level of incompetence."

Newman said he reached that modified Peter Principle with Magic Hat about six years ago. Newman said if he remains at the helm after a company has hit that threshold, "the organization starts to fall apart."

"We started having trouble shipping things that people had ordered. Communication within staff starts to falter. Planning doesn't happen properly," he said. "As you hit a certain size, you need a little more discipline. You need a little more management. That's where I start not performing well."

"I'm really an opportunity junkie," Newman said. "I'm very good at seeing opportunities and going for them . . . but at some point you need to stop chasing every possibility and focus on a plan."

That's where Martin Kelly comes in. Kelly served as CEO of Magic Hat and is now CEO of Magic Hat's parent company, Independent Brewers United Inc., which was formed when Magic Hat bought Seattle-based Pyramid Breweries Inc. last spring for \$35 million.

Newman said Kelly has been a crucial part of the operation during the past few years. "I create chaos and he tries to control it," he said.

Newman is president of Magic Hat, but prefers his informal title, "conductor of cosmic symphonies." ●

That's really my title," he said.

Newman, who had a hand in the creation of Gardeners Supply Co., Seventh Generation and Magic Hat, says he has no secret to starting successful ventures.

"I really don't. It really started by accident," Newman said in an interview in his office located in a modestly appointed trailer, named Sweet Lillian, next to the South Burlington brewery.

"I was sick and tired of getting fired," he said, recalling his time in Vermont in the mid-1970s. "I just figured I better figure out how to support myself if I wanted to stay in Vermont. I just kind of followed my nose."

"I irritate people. I'm really not a good employee. I'm highly insubordinate," he said, explaining that starting a business was a better option than working for someone else. "It's been a constant theme in my life and career." Newman insists he is in an unlikely executive.

"Honestly," he said, wearing bright-yellow glasses and a tie-dye shirt. "There is nothing in my background. I never had any interest in business. I never had any interest in starting businesses."

"I've never taken a business course in my life," he said, downplaying the importance of an MBA. "I'm not an education-driven guy. I believe in experience."

Newman, 62, was born in Brooklyn and grew up on Long Island. He attended Long Island University with a major in psychology and minors in sociology and English. "I have always been interested in culture. I grew up in the '60s."

Newman said his strengths are creating culture, branding and a vision for the companies.

"The business, to me, is secondary. I'm more interested in painting pictures," he said. A crucial part of forming a company's "painting" is culture and philosophy. "It's never been about making money."

"It's about trying to create a picture, trying to create a culture and trying to marry them. This is kind of what I do know," he said.

For Magic Hat that philosophy is: "to be a good neighbor in our community," he said.

Magic Hat, he said, assists a series of nonprofits including Vermont Cares, Committee on Temporary Shelter and The Women's Rape Crisis Center. "That's the part I get addicted to," he said.

"I make things more complicated" by connecting events with charities, he said. The Women's Rape Crisis Center, for example, gets about \$20,000 from the annual Mardi Gras parade, which Magic Hat created in the mid-1990s.

Not all of Newman's ventures have been a success.

But he said he learns lessons—the best lessons—from the failures.

He and a friend created a yacht time-sharing company, Highland International in Hanksville, in the late 1970s. Highland International never generated any revenue. Newman and his partner burned through \$300,000 of seed money in about 18 months. Reflecting on the business misfire, Newman said he should have purchased one boat with the funds, instead of trying to leverage it into millions. Lesson learned: proceed slowly.

Another one of Newman's business mistakes was Magic Hat's Ale of the Living Dead, a garlic beer.

One of the bottles sits on Newman's desk. The beer, he said, was often returned as "undrinkable." The lesson with the garlic beer: "Don't let me drive recipe creation."

The acquisition of Pyramid gives Magic Hat the potential to place its bottles of brew on shelves in many more states. Magic Hat is sold in 18 states now, mostly on the East Coast. Pyramid's beers are sold in 28 states.

Newman said they had no choice but to expand Magic Hat because the company "had already passed through the overhead level where small could work."

Newman said the idea for Magic Hat emerged in 1993 with co-founder Bob Johnson. The next year the pair were making beer on Flynn Avenue in Burlington. After three years, Magic Hat moved to a larger operation in South Burlington. When Magic Hat left Flynn Avenue, 6,000 barrels were being brewed a year. This year, Magic Hat will brew about 130,000 barrels at the South Burlington location, Newman said. A barrel is 31 gallons.

Not including brew pubs, there are 300 to 400 microbreweries in the U.S. fighting for a 5 percent share of the beer market, Newman said.

"In order to be a survivor, we think you have to get bigger. You can't stay small," he said.

Perhaps, recalling the lessons learned from his failed yacht time-share company decades ago, when he learned to "start small and grow," Newman said Magic Hat's expansion "will be slow and methodical." ●

#### HONORING LAWRENCE MCHUGH

● Mr. DODD. Mr. President, in these times of financial uncertainty, today I would like to take the time to commend Mr. Lawrence McHugh of my State, and to recognize his 25 years of leadership at the Middlesex County Chamber of Commerce.

In Larry's quarter century as the president of the organization, membership has grown from 282 to a total of 2,400 members who employ over 50,000 individuals in central Connecticut.

The Chamber itself now employs 22 people and increased its annual budget from \$109,000 in 1983 to over \$2 million in 2007.